



File No.: GEN/ADJ/ADC/26/2026-Adjn-O/o Commr-Cus-Kandla
DIN-20260371ML000000D13F

SHOW CAUSE NOTICE
(UNDER SECTION 124 and 28 (4) OF THE CUSTOMS ACT, 1962)

Whereas, M/s Rekha Superfine Exporters, (hereinafter referred to as “said SEZ unit”) is a SEZ unit situated at Shed No.-234-Sector-3, Kandla Special Economic Zone, Gandhidham, Kachchh, Gujarat – 370230. Letter of Approval (LOA) was granted to them vide F.No. KASEZ/IA/1930/2003-04 dated 02.05.2003 (**RUD-1**) by the Development Commissioner, Kandla to operate as an SEZ unit and carry out authorized operations of Manufacturing and trading activity as specified therein.

2. Whereas, the said SEZ unit was further granted warehousing permission vide letter F.No. KASEZ/IA/1930/2003-04 dated 09.11.2020 (**RUD-2**) to undertake authorized operations of “warehousing activity” of various items including “*Pepper of Genus piper; dried or crushed or ground fruit of genus capsicum or genus pimenta*” (ITC HS 0904) subject to terms and conditions mentioned thereof.

3. Whereas, during the scrutiny of the documents for the period of April-2022 to March - 2024, the Senior Audit Officer (CRA-I) noticed certain discrepancies in the DTA Bills of Entry related to the said SEZ unit. The said observations were communicated to this office vide audit observation dated 14.08.2024 (**RUD-3**) and subsequently vide Para 1 of the LAR-18/2024-25 (**RUD-04**). Vide the said observations, audit informed that during the course of test check of the records, it has been noticed that the said SEZ unit had imported and cleared into DTA, “**Black Pepper Long Spent /Black Pepper Long Spent Fodder Grade**” under CTH 09041110 at CIF value less than Rs. 500 per KG.

3.1. Whereas, as per the Audit observations, the goods “Black Pepper Long Spent /Black Pepper Long Spent Fodder Grade” should be correctly classifiable under CTH 09041200. Further, as per DGFT Notification 42/2015–20 dated 06.12.2017 (**RUD-05**) goods under CTH 09041200 (Crushed or ground) is “Free” provided CIF value is Rs. 500 and above per Kilogram. The relevant screenshot of the Notification is attached below:

Notification No. 2/2015-2020
New Delhi, Dated: 6 December, 2017

Subject: Amendment in import policy condition of pepper classified under Chapter 09 of ITC (HS), 2017-Schedule-1(Import Policy).

S.O. (E): In exercise of powers conferred by Section 3 of FT (D&R) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-2020, as amended from time to time, the Central Government hereby amends the import policy condition of 'Pepper' classified under Chapter 09 of ITC (HS), 2017 – Schedule – 1 (Import Policy) as under:

Exim Code	Item Description	Policy	Existing Policy Condition	Revised Policy Condition
0904 12 00	Crushed or ground	Free	--	Provided CIF value is Rs.500/- and above per Kilogram

3.2 Subsequently, DGFT vide notification no. 21/2015-20 dated 25.07.2018 (**RUD-06**) further amended the import policy for goods falling under Chapter sub-heading 09041200 from "Free" to "Prohibited" and the Policy condition was revised to "*However, import is free if CIF value is Rs.500/- and above per Kilogram. MIP conditions, however, will not be applicable for imports under Advance Authorisation Scheme, imports by 100% Export Oriented Units (EOUs) and units in the SEZ.*" The relevant screenshot of the Notification is attached below:

Notification No. 21 /2015-2020
New Delhi, Dated: 25 July, 2018

Subject: Amendment in policy condition of pepper classified under Chapter 09 of ITC (HS), 2017-Schedule-1(Import Policy).

S.O. (E): In exercise of powers conferred by Section 3 of FT (D&R) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy, 2015-2020, as amended from time to time, the Central Government hereby amends the policy condition of 'Pepper' classified under Chapter 09 of ITC (HS), 2017 – Schedule – 1 (Import Policy) as under:

Exim Code	Item Description	Policy	Existing Policy Condition	Revised Policy Condition
0904 12 00	Crushed or ground	Prohibited	However, import is free if CIF is above Rs.500/ per kg	However, import is free if CIF is above Rs.500/ per kg. MIP conditions, however, will not be applicable for imports under Advance Authorisation Scheme, imports by 100% Export Oriented Units (EOUs) and units in the SEZ.

3.3 Whereas, by virtue of above said notifications the DTA clearance of the goods falling under CTH 09041200 stands "Prohibited" unless the policy condition mentioned therein (i.e. import CIF value should be Rs. 500/- and above per Kilogram) is complied with.

3.4 During test check of the records of the said unit by the CRA team, it was noticed that M/s Rekha Superfine Exporters had cleared 05 consignments of "*Black Pepper Long Spent /Black Pepper Long Spent Fodder Grade*" into DTA classifying the goods under CTH 09041110 instead of CTH 09041200 and without complying with the policy condition regarding MIP value,. The list of these 5 DTA BEs was provided by the Audit officer having the said contravention in relation to the said SEZ unit is attached as **RUD-07**.

3.5. Whereas, based on the Audit objection raised by the CRA team, further analysis of DTA clearance data downloaded from NSDL SEZ Online was carried out for the said SEZ unit. During the analysis of import data, it was observed that the said SEZ Unit indulged in various DTA clearance of “Black Pepper Long Spent /Black Pepper Long Spent Fodder Grade” under CTH 09041110 instead of correct CTH 09041200 and at CIF value below Rs. 500 per Kilogram vide a total of 19 such DTA BEs (including 5 BEs reported by CRA team). The details of all these 19 import BEs are present in the Table-A as mentioned below :

Table-A								
S. No	Request Id	BE No./Date	CTH No.	Item Description	DTA Importer Details	Assessable Value for the item in INR	Quantity (MTs)	Value Per Kg (in INR)
1	262100977213	200296516-03-2021	9041110	BLACK PEPPER LONG SPENT (FODDER GRADE)	M/S. SAPPHERE INTERNATIONAL	5,43,165	49	11.085
2	262101093214	200327623-03-2021	9041110	BLACK PEPPER LONG SPENT FODDER GRADE	M/S. SAPPHERE INTERNATIONAL	1,29,829.5	11.8	11.0025
3	262101218864	200357701-04-2021	9041110	BLACK PEPPER LONG SPENT FODDER GRADE	M/S. SAPPHERE INTERNATIONAL	1,29,829.5	11.8	11.0025
4	262101428315	200413518-04-2021	9041110	BLACK PEPPER LONG SPENT (FODDER GRADE)	M/s.D'AMBROSIA EXCELLENTIA GATEWAYS	5,48,401.84	51.44	10.661
5	262101530773	200437626-04-2021	9041110	BLACK PEPPER LONG SPENT FODDER GRADE	M/S. D' AMBROSIA EXLENTTIA GATEWAYS	3,33,689.3	31.3	10.661
6	262101676561	200476811-05-2021	9041110	BLACK PEPPER LONG SPENT (FODDER GRADE)	D' AMBROSIA EXCELLENTIA GATEWAYS	2,37,555.5	22.7	10.465
7	262101677832	200477011-05-2021	9041110	BLACK PEPPER LONG SPENT (FODDER GRADE)	D' AMBROSIA EXCELLENTIA GATEWAYS	3,13,950	30	10.465
8	262101731161	200493019-05-2021	9041110	BLACK PEPPER LONG SPENT (FODDER GRADE)	D' AMBROSIA EXCELLENTIA GATEWAYS	3,66,275	35	10.465

9	2621019488 61	2005482 04-06-20 21	904111 0	BLACK PEPPER SPENT	M/S. ESAAR MOBITECH TECHNOLOGY PRIVATE LIMITED	2,22,600	22.26	10
10	2621020075 32	2005684 09-06-20 21	904111 0	LONG PEPPER SPENT (FODDER GRADE)	ESAAR MOBITECH TECHNOLOGY PRIVATE LIMITED	4,61,950.86	44.62	10.353
11	2621021554 53	2006012 18-06-20 21	904111 0	PEPPER LONG SPENT	ESAAR MOBITECH TECHNOLOGY PRIVATE LIMITED	2,04,520.47	18.92	10.80975
12	2621021554 42	2006013 18-06-20 21	904111 0	PEPPER LONG SPENT	BLUE SEA CORPORATION	1,20,150.74	11.115	10.8097831 76
13	2621022692 95	2006257 25-06-20 21	904111 0	PEPPER LONG SPENT	SRI SAIESH	1,01,611.65	9.4	10.80975
14	2621022690 41	2006258 25-06-20 21	904111 0	PEPPER LONG SPENT	BLUE SEA CORPORATION	68,101.42	6.3	10.8097492 06
15	2621022680 61	2006259 25-06-20 21	904111 0	PEPPER LONG SPENT	ESAAR MOBITECH TECHNOLOGY PRIVATE LIMITED	2,16,195	20	10.80975
16	2621026008 15	2007103 19-07-20 21	904111 0	BLACK PEPPER LONG SPENT (FODDER GRADE)	D'AMBROSIA EXCELLENTIA GATEWAYS	3,06,124	29	10.556
17	2621028527 71	2007856 06-08-20 21	904111 0	PEPPER LONG SPENT	SRI SAIESH ENTERPRISES	96,644.69	8.875	10.8895425 35
18	2621030039 82	2008312 18-08-20 21	904111 0	PEPPER LONG SPENT	ESAAR MOBITECH TECHNOLOGY PRIVATE LIMITED	8,83,138.45	81.1	10.8895
19	2621032123 83	2008851 02-09-20 21	904111 0	PEPPER LONG SPENT (FODDER GRADE)	LAFRETIER PRECIOUS PRIVATE LIMITED	2,25,825.6	21.45	10.528
	Total					55,09,558.52		

3.6 Whereas, the impugned goods under the subject BoEs have been declared as “Black Pepper Long Spent / Black Pepper Long Spent Fodder Grade”. As per the description appearing

in the Bills of Entry and commercial documents, the goods appear to be not whole black pepper of genus *Piper* in natural form but appear to be “spent pepper” /“spent pepper (fodder grade)” which appears to refer to processed residue obtained after extraction/use of pepper, commonly known in trade as “spent pepper”, and are in crushed/ground or broken form. As per the General Rules for Interpretation of Import Tariff read with Chapter 9 of the First Schedule to the Customs Tariff Act, 1975, CTH 0904 covers “Pepper of the genus *Piper*; dried or crushed or ground fruits of the genus *Capsicum* or of the genus *Pimenta*”. Further, tariff item 090411 covers pepper neither crushed nor ground, whereas tariff item 090412 specifically covers pepper which is crushed or ground. Accordingly, the impugned goods appear to be properly classifiable under CTH 09041200.

3.7 Whereas, it is observed that the Bill of Entries as mentioned in Table - A, pertain to the period after the provisions of Notification No. 21/2015-20 dated 25.07.2018 came into effect vide which the import policy for goods falling under Chapter sub-heading 09041200 was amended from “Free” to “Prohibited” and the Policy condition revised to “*However, import is free if CIF value is Rs.500/- and above per Kilogram. MIP conditions, however, will not be applicable for imports under Advance Authorisation Scheme, imports by 100% Export Oriented Units (EOUs) and units in the SEZ.*”.

3.8 Further, as per proviso to Rule 47(1)(a) of SEZ Rules 2006, goods imported or procured from the Domestic Tariff Area and sold as such without being subjected to any manufacturing process shall be subject to the provisions of the Foreign Trade Policy as applicable to import of similar goods into India. Accordingly, DGFT import policy conditions as mentioned above shall apply on the subject goods at the time of SEZ to DTA clearances.

3.9 Accordingly, the goods “Black Pepper Long Spent /Black Pepper Long Spent Fodder Grade” cleared into DTA vide the Bill of Entries mentioned in Table – A (a total of 19 DTA BEs (including 5 BEs reported by CRA team)) under CTH 09041110 instead of correct CTH 09041200 and at CIF value below Rs. 500 per Kilogram were “Prohibited” in terms of the aforesaid notifications and accordingly, are liable for confiscation and further penal proceedings as per relevant provisions of Customs Act, 1962.

3.10 Whereas, the said observations were communicated to the SEZ Unit and concerned importers vide letter F.No. KASEZA/CUS0Misc-94-SEZ Kandla dated 01.01.2025, 18.07.2025 to submit their replies vide post and email IDs as per records available with this office. As no response was received from them, subsequent reminders dated 05.02.2025, 10.03.2025, 02.04.2025, 09.05.2025, 29.07.2025, 20.08.2025, 03.09.2025, 12.12.2025 and 04.02.2025, 09.02.2025, 25.02.2026 were issued to the unit and importers (**RUD - 08**). All the letters and reminders were sent by post as well as mailed to their mail ID. However despite all efforts, neither SEZ unit or their DTA importers provided any response.

Legal Provisions:

4. Whereas, the activities of admission and clearance of goods by SEZ units, having approval granted under Section 15 of the SEZ Act, 2005 and Rule 18 of the SEZ Rules, 2006, are regulated as per the provisions & procedures contained in the SEZ Act, 2005 and Rules made there-under. Further, as per proviso to Rule 47(1)(a) of SEZ Rules 2006, DGFT import policy conditions shall apply on the at the time of SEZ to DTA clearances.

5. As per above analysis, it appears that the goods “Black Pepper Long Spent /Black Pepper Long Spent Fodder Grade” cleared vide the Bill of Entries mentioned in Table – A (a total of 19 DTA BEs (including 5 BEs reported by CRA team)) under CTH 09041110 instead of correct

CTH 09041200 and at CIF value below Rs. 500 per Kilogram were “Prohibited” in terms of the aforesaid notifications and accordingly, are liable for confiscation and further penal proceedings as per relevant provisions of Customs Act, 1962.

6. Whereas, as per Customs Tariff Act, 1962 (as in force during the period) and as mentioned in the Audit objection the total rate of customs duty applicable on the goods covered under CTH 09041110 is @ 39.65 percent (BCD 30%, SWS 3% & IGST 5%) while the customs duty applicable on the goods covered under CTH 09041200 is 85.85% (BCD 70%+ SWS 7%+ IGST 5%) . Accordingly, it appears the goods covered under CTH 09041200 attract a higher rate of Customs duty vis-a-vis the goods covered under CTH 09041110. Furthermore, the DTA clearance of the goods was made at a lower assessable value vis-a-vis the Minimum Import Price prescribed as per foreign trade policy. Accordingly, it appears that there is a short levy of applicable customs duty on the goods cleared into DTA which is to be recovered from the DTA Clients/importers of the said SEZ unit. The quantification of short levy of duty is presented in Annexure-B (**RUD-10**):

7. Whereas, Section 17 of the Customs Act, 1962 provides for self-assessment of duty on imported and export goods by the importer and exporter himself by filing a bill of entry or shipping bill, as the case may be. Further, Rule 75 of the SEZ Rules,2006 also provides that unless and otherwise specified in these rules all inward or outward movements of the goods into or from SEZ by the Unit/Developer shall be based on self-declaration made by the Unit/Developer. Under this trust based system of self-assessment, it is the responsibility and duty of the importer/exporter to ensure correct classification, applicable rate of duty, value and compliance with relevant policy conditions, if any, in respect of imported /exported goods while presenting a bill of entry or shipping bill. While importing/clearing the subject goods, the said SEZ unit and its DTA clients/importers were bound for true and correct declaration, classification, and assessment which include duty applicability and compliance with relevant policy conditions on the subject goods at the time of DTA clearance. As the said SEZ unit and its DTA clients/importers were engaged in the business of activities related to the subject goods, they were fully aware of specifications, characteristics, nature, classification, duty applicability, importability and approvals and other regulatory compliances in respect goods dealt by them in the SEZ area. From the above, it appears that the said SEZ unit and its DTA clients/importers were fully aware that goods covered under CTH 09041200 are governed by MIP condition while the same is not applicable on CTH 09041110 and also that goods covered under CTH 09041200 attracted higher rate of customs duty than goods covered under CTH 09041110.As the SEZ unit and its importers have willfully mis-classified the imported goods during clearance into DTA clients/importers with a malafide intention to circumvent the Minimum Import Price condition and higher rate of Customs duty applicable on the actual/correct CTH and thereby cleared the goods at an assessable value below the prescribe MIP and at a lower rate of Customs duty. Further, non-response to letters calling for explanation by SEZ unit and also by its DTA clients/importers, similar pricing and similar patterns across different entities further indicates the same as an act of organized, systematic and wilful misclassification to circumvent MIP and higher duty. Accordingly, as the short levy of Customs duty has arisen by reason of wilful misstatement and suppression of facts with regard to their proper classification, applicable MIP condition and correct rate of Customs duty with malafide intent to clear the goods in violation of Import policy with respect to MIP condition and on short payment of applicable customs duty, the differential duty becomes liable to be recovered from them under Section 28(4) of the Customs Act, 1962. Accordingly, the importers/DTA clients of the SEZ units are liable to pay the differential customs duty under Section 28(4) of Customs Act, 1962 amounting to the short levied portion (on account of lower assessable value than the prescribed MIP and lower rate of customs duty), along with applicable interest under Section 28AA of the Custom Act, 1962 calculated by having assessable value at prescribed MIP price and at applicable rate of customs duty for CTH 09041200. The quantification of duty calculation is present in Annexure-B(RUD-10). Further, this act of omission and commission makes the DTA clients/importers liable for penalty under Section 112, 114A and 114AA of the Customs Act, 1962.

8. Whereas, Section 2(33) of the Customs Act, 1962, the prohibited goods include the goods,

import of which is subject to any prohibition under the Customs Act, 1962 or any other law for the time being in force. However, it does not include the goods, in respect of which the conditions subject to which the goods are permitted to be imported have been complied with. In the instant case, the goods DTA cleared by the said SEZ unit are under “Prohibited” category on account of aforesaid notifications and the non-compliance with the conditions applicable on the subject goods as prescribed in the notifications/Import policy. Thus, the impugned goods cleared by the said SEZ unit are to be treated as “prohibited goods” as per Customs Act, 1962 read with DGFT Notification 21/2015-20 dated 25.07.2018. Since the goods so cleared by the said SEZ unit and its importers/DTA clients are misclassified as well as contrary to the prohibition imposed, therefore, the said goods cleared by the said SEZ unit and its importers/DTA clients are liable for confiscation under the provisions of Section 111(d) & 111(m) of the Customs Act, 1962 and the said SEZ unit and its DTA clients/importers are liable for penalty under Section 112, 114A and 114AA of the Customs Act, 1962.

8.1. Whereas, the impugned goods having description “Black Pepper Long Spent /Black Pepper Long Spent Fodder Grade” should be correctly classified under **09041200**. However, it emerges that the said SEZ Unit and its importers/DTA clients have cleared the impugned goods “Black Pepper Long Spent /Black Pepper Long Spent Fodder Grade” vide the DTA Bills of Entry as mentioned in Table-A after mis-classifying them under improper CTH i.e. CTH **09041110** to circumvent the MIP conditions stipulated in Import Policy of the proper CTH i.e. CTH **09041200**. Such indulgence and endeavor on the part of said SEZ Unit and its importers/DTA clients is in violation of the DGFT Import policy as well as Section 46 of Customs Act, 1962. This act of omission and commission makes the impugned goods liable for confiscation in terms of Section 111(d) and 111(m) of the Customs Act, 1962 and said SEZ unit and its DTA clients/importers liable for penalty under Section 112, Section 114A and Section 114AA of the Customs Act, 1962.

8.2. Whereas, Section 46(4A) of the Customs Act, 1962, the importer, who is presenting the bill of entry should ensure the accuracy and completeness of the information given therein viz. classification, description, duty applicability and valuation etc., the authenticity and validity of any document supporting it; and compliance with the restriction or prohibition, if any, relating to the goods under the Customs Act, 1962 or under any other law for the time being in force. It appears that the said SEZ unit and its importers have violated the provisions of section 46(4A) by way of DTA clearing the said goods, falling under Prohibited category in contravention to conditions stipulated in the import policy. Such indulgence and endeavor on their part are in violation of the provisions of Section 46 of the Customs Act, 1962 makes the impugned goods liable for confiscation in terms of Section 111(d) and 111(m) of the Customs Act, 1962 and the said SEZ and its importers liable for penalty under Section 112, 114A and 114AA of the Customs Act, 1962.

8.3 Whereas, Para 9.41 of the extant FTP, “restricted ” indicates the import/export policy of an item, as appearing in ITC (HS) or elsewhere, whose import or export is not permitted. In the instant case, as per the DGFT Import policy, the import of subject goods is restricted and is not permitted by the LoA issued by the Development Commissioner, KASEZ. Whereas, Section 3 (2) of the FTDR Act, 1992 empowers the Central Government to issue order, making provisions for prohibiting, restricting or otherwise regulating, the import of goods. As per Section 3(3) of the FTDR Act, 1992, all goods to which the order under Section 3(2) applies shall be deemed to be goods the imports of which have been prohibited under Section 11 of the Customs Act, 1962 and all the provisions of that Act shall have effect accordingly. Whereas, Section 5 of the FTDR Act, 1992 empowers the Central Government to formulate and announce by notification the foreign trade policy and also empowered to amend the policy in like manner. Whereas, Section 8 of the FTDR Act, 1992, the DGFT or any other officer authorized by him empowered to pass order for suspension or cancellation of the IEC Number of a person, who has contravened any of the provisions of the FTDR Act, 1992 or any rules or orders made thereunder or the FTP or any other law for the time being in force relating to Customs or has committed any other economic offence

under any other law for the time being in force. Whereas, Section 11(1) of the FTDR Act, 1992 provides that no import shall be made by any person except in accordance with the provisions of the FTDR Act, 1992, the rules and orders made thereunder and in accordance with the FTP for the time being in force. Penal provisions are also prescribed vide Section 11(2) of the FTDR Act, 1992. As per Section 11(8) of the FTDR Act, 1992, the offending goods are liable to confiscation. **Whereas, Section 12 of the FTDR Act, 1992 prescribes that the penalty imposed or confiscation made under the FTDR Act, 1992 shall not prevent the imposition of any other punishment to which the person affected thereby is liable under any other law for the time being in force.** Whereas, Rule 11 of the FTDR, 1993 provides that on importation of any goods, the owner of the goods has to file Bill of Entry as prescribed under the Customs Act, 1962, stating the value, quantity, quality and description of such goods to be best of his knowledge and belief and shall subscribe a declaration of the truth of such statement at the foot of such Bill of Entry. Whereas, Rule 14 of the FTDR, 1993 prohibits making, signing, using or cause to be made, signed or used any declaration, statement or documents for importing any goods, knowing or having reason to believe that such declaration, statement or document is false in any material particular. Employing any corrupt or fraudulent practice in importing the goods have also been prohibited.

9.1 Now, therefore, the said SEZ Unit, namely, **M/s. Rekha Superfine Exporters (IEC: 0813010179)** are hereby called upon to show cause to the Commissioner of Customs, having office situated at Customs House, Near Balaji Temple, Kandla, District Kutch within 30 days from the receipt this notice as to why:-

i) The goods cleared from SEZ into DTA vide Bills of Entry as detailed in Annexure-B (RUD-10) above having re-determined assessable value of Rs. 25,80,40,000/- (Rupees Twenty-five crore eighty lakh forty thousand only) should not be confiscated under Section 111(d) and 111(m) of the Customs Act, 1962 for reasons as discussed above;

ii) Penalty should not be imposed on them, separately under each of the provisions of Section 112, 114A & 114AA of the Customs Act, 1962 for the reasons discussed above;

iii) Bond-cum-Legal-Undertaking in form-H executed by them should not be enforced towards its above liabilities.

9.2 Now, therefore, the DTA client/Importer, namely, **M/S. Sri Saiesh Enterprises**, Shop No.2, Plot No.2, Vikas Plaza, Community Centre, Sector-8, Rohini, North West Delhi, Delhi, (IEC:JHOPK8925C) are hereby called upon to Show Cause to the Commissioner of Customs, having his office situated at Customs House, Near Balaji temple, Kandla, District Kutch within 30 days from the receipt of this notice as to why:-

i) The declared classification i.e. CTI 09041110 of the goods cleared from SEZ into DTA vide Bills of Entry as detailed in Table-I of Annexure-A (RUD-09) should not be rejected and should not be re-classified under Custom Tariff Item 09041200;

ii) The goods cleared from SEZ into DTA vide Bills of Entry as detailed in Table-I of Annexure-A (RUD-09) having re-determined assessable value of Rs.91,37,500/- (Rupees Ninety One Lakh Thirty Seven Thousand Five Hundred only) should not be confiscated under Section 111(d) and 111(m) of the Customs Act, 1962 for reasons as discussed above;

iii) The differential customs duty amounting to ₹77,65,935/- (Rupees Seventy-Seven Lakh Sixty-Five Thousand Nine Hundred Thirty Five only) as detailed in Table-I of Annexure-A (RUD-09) should not be demanded and recovered from them under Section 28(4) of the Customs Act, 1962 along with interest under Section 28AA of the Customs Act, 1962;

iv) Penalty should not be imposed on them, separately under each of the provisions of Section 112, 114A & 114AA of the Customs Act, 1962 for the reasons discussed above.

9.3. Now, therefore, the DTA client/Importer, namely, **M/S D'ambrosia Excellentia Gateway** - D-51/18a, Pandarabia, Varanasi, Uttar Pradesh, India - 221001(IEC:AAQFD7908Q) are hereby called upon to Show Cause to the Commissioner of Customs, having his office situated at Customs House, Near Balaji temple, Kandla, District Kutch within 30 days from the receipt of this notice as to why:-

i) The declared classification i.e. CTI 09041110 of the goods cleared from SEZ into DTA vide Bills of Entry as detailed in Table-II of Annexure-A(RUD-09) should not be rejected and should not be re-classified under Custom Tariff Item 09041200;

ii) The goods cleared from SEZ into DTA vide Bills of Entry as detailed in Table-II of Annexure-A (RUD-09) having re-determined assessable value of Rs.9,97,20,000 /-(Rupees Nine crore ninety-seven lakh twenty thousand only) should not be confiscated under Section 111(d) and 111(m) of the Customs Act, 1962 for reasons as discussed above;

iii) The differential customs duty amounting to ₹8,45,21,231/- (Rupees Eight Crore Forty-Five Lakh Twenty-One Thousand Two Hundred Thirty-One only) as detailed in Table-II of Annexure-A (RUD-09) should not be demanded and recovered from them under Section 28(4) of the Customs Act, 1962, along with interest under Section 28AA of the Customs Act, 1962;

iv) Penalty should not be imposed on them, separately under each of the provisions of Section 112, 114A & 114AA of the Customs Act, 1962 for the reasons discussed above.

9.4. Now, therefore, the DTA client/Importer, namely, **M/s. Esaar Mobitech Technology Private Limited** - 1st Floor, House No-35 block-A, Pkt-1 Sector-7 Rohini, North West Delhi, Delhi, India - 110085 (IEC:AAFCE9149Q) are hereby called upon to Show Cause to the Commissioner of Customs, having his office situated at Customs House, Near Balaji temple, Kandla, District Kutch within 30 days from the receipt of this notice as to why:-

i) The declared classification i.e. CTI 09041110 of the goods cleared from SEZ into DTA vide Bills of Entry as detailed in Table-III of Annexure-A(RUD-09) should not be rejected and should not be re-classified under Custom Tariff Item 09041200;

ii) The goods cleared from SEZ into DTA vide Bills of Entry as detailed in Table-III of Annexure-A (RUD-09) having re-determined assessable value of Rs.9,34,50,000 /-(Rupees Nine Crore Thirty-four Lakh Fifty Thousand only) should not be confiscated under Section 111(d) and 111(m) of the Customs Act, 1962 for reasons as discussed above;

iii) The differential customs duty amounting to ₹7,94,38,423/- (Rupees Seven Crore Ninety-Four Lakh Thirty Eight Thousand four Hundred Twenty-Three only) as detailed in Table-III of Annexure-A (RUD-09) should not be demanded and recovered from them under Section 28(4) of the Customs Act, 1962 along with interest under Section 28AA of the Customs Act, 1962;

iv) Penalty should not be imposed on them, separately under each of the provisions of Section 112, 114A & 114AA of the Customs Act, 1962 for the reasons discussed above.

9.5. Now, therefore, the DTA client/Importer, namely, **M/S. Blue Sea Corporation** - Ground Floor, 25/12 Shakti Nagar, New Delhi, West Delhi, Delhi, India - 110007 (IEC:AASFB2774Q) are hereby called upon to Show Cause to the Commissioner of Customs, having his office situated at Customs House, Near Balaji temple, Kandla, District Kutch within 30 days from the receipt of this notice as to why:-

i) The declared classification i.e. CTI 09041110 of the goods cleared from SEZ into DTA vide Bills of Entry as detailed in Table-IV of Annexure-A(RUD-09) should not be rejected and should not be re-classified under Custom Tariff Item 09041200;

ii) The goods cleared from SEZ into DTA vide Bills of Entry as detailed in Table-IV of Annexure-A (RUD-09) having re-determined assessable value of Rs.87,07,500/- (Rupees Eighty-seven lakh seven thousand five hundred only) should not be confiscated under Section 111(d) and 111(m) of the Customs Act, 1962 for reasons as discussed above;

iii) The differential customs duty amounting to ₹74,00,747/- (Rupees Seventy-four lakh seven hundred forty-seven only), as detailed in Table-IV of Annexure-A(RUD-09), should not be demanded and recovered from them under Section 28(4) of the Customs Act, 1962, along with applicable interest under Section 28AA of the Customs Act, 1962;

iv) Penalty should not be imposed on them, separately under each of the provisions of Section 112, 114A & 114AA of the Customs Act, 1962 for the reasons discussed above.

9.6. Now, therefore, the DTA client/Importer, namely, **M/s Lafretier Precious Private Limited**, Plot No.B/162, Electronic Estate Sector No 25, Gidc, Gandhinagar, Gujarat - 382024 (IEC:AAECL1486E) are hereby called upon to Show Cause to the Commissioner of Customs, having his office situated at Customs House, Near Balaji temple, Kandla, District Kutch within 30 days from the receipt of this notice as to why:-

i) The declared classification i.e. CTI 09041110 of the goods cleared from SEZ into DTA vide Bills of Entry as detailed in Table-V of Annexure-A(RUD-09) should not be rejected and should not be re-classified under Custom Tariff Item 09041200;

ii) The goods cleared from SEZ into DTA vide Bills of Entry as detailed in Table-V of Annexure-A (RUD-09) having re-determined assessable value of Rs.1,07,25,000/- (Rs. One crore seven lakh Twenty Five thousand only) should not be confiscated under Section 111(d) and 111(m) of the Customs Act, 1962 for reasons as discussed above;

iii) the differential customs duty amounting to ₹91,17,873/- (Rupees Ninety-one lakh, seventeen

thousand, eight hundred seventy-three only) as detailed in Table-V of Annexure-A (RUD-09) should not be demanded and recovered from them under Section 28(4) of the Customs Act, 1962 along with interest under Section 28AA of the Customs Act, 1962;

iv) Penalty should not be imposed on them, separately under each of the provisions of Section 112, 114A & 114AA of the Customs Act, 1962 for the reasons discussed above.

9.7. Now, therefore, the DTA client/Importer, namely **M/S. Sapphire International**, House No. S/10/133-57, Hukulganj, Varanasi, Uttar Pradesh - 221001 (IEC: GGHPK0176E) are hereby called upon to Show Cause to the Commissioner of Customs, having his office situated at Customs House, Near Balaji temple, Kandla, District Kutch within 30 days from the receipt of this notice as to why:-

i) The declared classification i.e. CTI 09041110 of the goods cleared from SEZ into DTA vide Bills of Entry as detailed in Table-VI of Annexure-A (RUD-09) should not be rejected and should not be re-classified under Custom Tariff Item 09041200;

ii) The goods cleared from SEZ into DTA vide Bills of Entry as detailed in Table-VI of Annexure-A (RUD-09) having re-determined assessable value of Rs.3,63,00,000/- (Rs. Three crore sixty-three lakh only) should not be confiscated under Section 111(d) and 111(m) of the Customs Act, 1962 for reasons as discussed above;

iii) The differential customs duty amounting to ₹3,04,74,325/- (Rupees Three Crore Four Lakh Seventy-Four Thousand Three Hundred Twenty-Five only) as detailed in Table-VI of Annexure-A (RUD-09) should not be demanded and recovered from them under Section 28(4) of the Customs Act, 1962 along with interest under Section 28AA of the Customs Act, 1962;

iv) Penalty should not be imposed on them, separately under each of the provisions of Section 112, 114A & 114AA of the Customs Act, 1962 for the reasons discussed above.

10. The Noticees are required to submit their reply in writing to the Adjudicating Authority, as above, within 30 days from the date of receipt of this notice. In their written reply, the Noticee(s) may also state as to whether they would like to be heard in person. In case, no reply is received within the time limit stipulated above or any further time which may be granted to them by the Adjudicating Authority and/or if they fail to appear for personal hearing, when the case is posted for the same, the case will be decided ex-parte on the basis of evidence on record and without any further reference to the Noticee(s). Further, the Noticees are advised to mention their email address in writing for virtual hearing as per CBIC's Instruction dated 21.08.2020 issued vide F.No. 390/Misc/3/2019-JC.

11. This notice is issued without prejudice to any other action that may be taken in respect of the above goods and / or the persons / firms mentioned in the notice under the provisions of the Customs Act, 1962 and / or any other law for the time being in force, in the Republic of India.

12. The department reserves the right to add, amend, modify, delete any part or the portion of this notice any such addendum, amendment, modification, deletion, if made, shall be deemed to

be part and parcel of this notice.

13. The list of relied upon documents (RUDs) in this case is as per Annexure-R.

Digitally signed by
Nitin Saini
Date: 12-03-2026
14:27:32

(Nitin Saini)

Commissioner
Custom House, Kandla

File No.: GEN/ADJ/ADC/26/2026-Adjn-O/o Commr-Cus-Kandla

By Speed Post/Courier

To

1. M/s Rekha Superfine Exporters, Shed No.-234-Sector-3, Kandla Special - Economic Zone, Gandhidham, Kachchh, Gujarat - 370230./
2. M/S. Sri Saiesh Enterprises, Shop No.2, Plot No.2, Vikas Plaza, Community Centre, Sector-8, Rohini, North West Delhi, Delhi
3. M/S D'ambrosia Excellentia Gateway - D-51/18a, Pandarabia, Varanasi, Uttar Pradesh, India - 221001
4. M/S. Blue Sea Corporation - Ground Floor, 25/12 Shakti Nagar, New Delhi, West Delhi, Delhi, India - 110007
5. M/S. Esaar Mobitech Technology Private Limited - 1st Floor, House No-35block-A, Pkt-1 Sector-7 Rohini, North West Delhi, Delhi, India - 110085
6. M/S Lafretier Precious Private Limited, Plot No.B/162, Electronic Estate Sector No 25, Gidc, Gandhinagar, Gujarat - 382024
7. M/S. Sapphire International, House No. S/10/133-57, Hukulganj, Varanasi, Uttar Pradesh - 221001

Copy to:-

1. The Development Commissioner, Kandla Special Economic Zone, Gandhidham, Kutch.
2. The Deputy Commissioner, Customs KASEZ, Gandhidham.
3. Guard file.

Annexure-R**Attached to Show Cause Notice issued vide F.No.
GEN/ADJ/ADC/802/2024-Adjn-O/o Commr-Cus-Kandla to M/s Rekha
Superfine Exporters, KASEZ and others
(List of Relied upon Documents)**

RUD-01:- Letter of Approval F.No. KASEZ/IA/1930/2003-04 dated 02.05.2003 issued by the Joint Development Commissioner.

RUD-02:- Addition of Warehousing permission vide letter F.No. KASEZ/IA/1930/2003-04 dated 09.11.2020.

RUD-03:- Audit observation dated 14.08.2024 issued by PDA(Central), Ahmedabad

RUD-04:- Para 1 of the LAR-18/2024-25 dated 14.11.2024 issued by PDA(Central), Ahmedabad.

RUD-05:- DGFT Notification 42/2015-20 dated 06.12.2017

RUD-06:- DGFT Notification 21/2015-20 dated 25.07.2018.

RUD-07:- The list of 5 DTA BEs provided by the Audit officer having the said contravention in relation to the said SEZ unit.

RUD 08:- The letters and reminders sent to the SEZ Unit and Importers

RUD-09:- Annexure-A: DTA Client/Importer wise break-up of the BoEs cleared into DTA by the said SEZ unit.

RUD-10:- Annexure-B: Details of all DTA Clearances from the SEZ unit M/s Rekha Superfine Exporters

Annexure-A**DTA Client/Importer wise break-up of the BoEs cleared into DTA by the said SEZ unit.**

Table-I (M/s SRISAIESH ENTERPRISES)								
S. No.	BE No./Date	DTA Importer Details	Assessable Value for the item in INR	Quantity (MTs)	Re-determined Assessable Value at 500 Rs. /KG	Duty Payable (@ 85.85%) (in Rs.)	Duty Paid (@ 39.65%) (in Rs.)	Differential duty/ Short paid duty
1	2006257 25-06-2021	SRI SAIESH	1,01,611.65	9.4	47,00,000	40,34,950	40,289	39,94,661
2	2007856 6/8/2021	SRI SAIESH ENTERPRISES	96,644.69	8.875	44,37,500	38,09,594	38,320	37,71,274
Total			1,98,256.34	18.275	91,37,500	78,44,543.75	78,609	77,65,934.75

Table-II (M/s D'AMBROSIA EXCELLENTIA GATEWAY)								
S. No.	BE No./Date	DTA Importer Details	Assessable Value for the item in INR	Quantity (MTs)	Re-determined Assessable Value at 500 Rs. /KG	Duty Payable (@ 85.85%) (in Rs.)	Duty Paid (@ 39.65%) (in Rs.)	Differential duty/ Short paid duty
1	2004135 18-04-2021	M/s.D'AMBROSIA EXCELLENTIA GATEWAYS	5,48,401.84	51.44	2,57,20,000	2,20,80,620	4,70,803	2,16,09,817
2	2004376 26-04-2021	M/S. D' AMBROSIA EXLENTTIA GATEWASYS	3,33,689.30	31.3	1,56,50,000	1,34,35,525	1,32,308	1,33,03,217
3	2004768 11/5/2021	D' AMBROSIA EXCELLENTIA GATEWAYS	2,37,555.50	22.7	1,13,50,000	97,43,975	94,191	96,49,784
4	2004770 11/5/2021	D' AMBROSIA EXCELLENTIA GATEWAYS	3,13,950	30	1,50,00,000	1,28,77,500	1,24,481	1,27,53,019
5	2004930 19-05-2021	D' AMBROSIA EXCELLENTIA GATEWAYS	3,66,275	35	1,75,00,000	1,50,23,750	1,45,228	1,48,78,522
6	2007103 19-07-2021	D' AMBROSIA EXCELLENTIA GATEWAYS	3,06,124	29	1,45,00,000	1,24,48,250	1,21,378	1,23,26,872
Total			21,05,995.64	199.44	9,97,20,000	8,56,09,620	10,88,389	8,45,21,231

Table-III (M/s ESAAR MOBITECH TECHNOLOGY PRIVATE LIMITED)								

S. No.	BE No./Date	DTA Importer Details	Assessable Value for the item in INR	Quantity (MTs)	Re-determined Assessable Value at 500 Rs. /KG	Duty Payable (@ 85.85%) (in Rs.)	Duty Paid (@ 39.65%) (in Rs.)	Differential duty/ Short paid duty
1	2005482 4/6/2021	M/S. ESAAR MOBITECH TECHNOLOGY PRIVATE LIMITED	2,22,600	22.26	1,11,30,000	95,55,105	88,261	94,66,844
2	2005684 9/6/2021	ESAAR MOBITECH TECHNOLOGY PRIVATE LIMITED	4,61,950.86	44.62	2,23,10,000	1,91,53,135	1,83,164	1,89,69,971
3	2006012 18-06-2021	ESAAR MOBITECH TECHNOLOGY PRIVATE LIMITED	2,04,520.47	18.92	94,60,000	81,21,410	81,092	80,40,318
4	2006259 25-06-2021	ESAAR MOBITECH TECHNOLOGY PRIVATE LIMITED	2,16,195	20	1,00,00,000	85,85,000	85,721	84,99,279
5	2008312 18-08-2021	ESAAR MOBITECH TECHNOLOGY PRIVATE LIMITED	8,83,138.45	81.1	4,05,50,000	3,48,12,175	3,50,164	3,44,62,011
Total			19,88,404.78	186.9	9,34,50,000	8,02,26,825	7,88,402	7,94,38,423

Table-IV (M/s BLUE SEA CORPORATION)

S. No.	BE No./Date	DTA Importer Details	Assessable Value for the item in INR	Quantity (MTs)	Re-determined Assessable Value at 500 Rs. /KG	Duty Payable (@ 85.85%) (in Rs.)	Duty Paid (@ 39.65%) (in Rs.)	Differential duty/ Short paid duty
1	2006013 18-06-2021	BLUE SEA CORPORATION	1,20,150.74	11.115	55,57,500	47,71,114	47,640	47,23,474
2	2006258 25-06-2021	BLUE SEA CORPORATION	68,101.42	6.3	31,50,000	27,04,275	27,002	26,77,273
Total			1,88,252.16	17.415	87,07,500	74,75,389	74,642	74,00,747

Table-V (M/s LAFRETIER PRECIOUS PRIVATE LIMITED)

S. No.	BE No./Date	DTA Importer Details	Assessable Value for the item in INR	Quantity (MTs)	Re-determined Assessable Value at 500 Rs. /KG	Duty Payable (@ 85.85%) (in Rs.)	Duty Paid (@ 39.65%) (in Rs.)	Differential duty/ Short paid duty
1	2008851 2/9/2021	LAFRETIER PRECIOUS PRIVATE LIMITED	2,25,825.60	21.45	1,07,25,000	92,07,413	89,540	91,17,873
Total			2,25,825.60	21.45	1,07,25,000	92,07,413	89,540	91,17,873

Table-VI (M/S. SAPPHIRE INTERNATIONAL)								
S. No	BE No./Date	DTA Importer Details	Assessable Value for the item in INR	Quantity (MTs)	Re-determined Assessable Value at 500 Rs. /KG	Duty Payable (@ 85.85%) (in Rs.)	Duty Paid (@ 39.65%) (in Rs.)	Differential duty/ Short paid duty
1	2002965 16-03-2021	M/S. SAPPHIRE INTERNATIONAL	5,43,165	49	2,45,00,000	2,10,33,250	4,66,307	2,05,66,943
2	2003276 23-03-2021	M/S. SAPPHIRE INTERNATIONAL	1,29,829.50	11.8	59,00,000	50,65,150	1,11,459	49,53,691
3	2003577 1/4/2021	M/S. SAPPHIRE INTERNATIONAL	1,29,829.50	11.8	59,00,000	50,65,150	1,11,459	49,53,691
Total			8,02,824	72.6	3,63,00,000	3,11,63,550	6,89,225	3,04,74,325

ANNEXURE-B (Details of all DTA Clearances from the SEZ unit M/s Rekha Superfine Exporters)

S. No	BE No./Date	DTA Importer Details	Assessable Value for the item in INR	Quantity (MTs)	Re-determined Assessable Value at 500 Rs. /KG	Duty Payable (@ 85.85%) (in Rs.)	Duty Paid (@ 39.65%) (in Rs.)	Differential duty/ Short paid duty
1	2002965 16-03-2021	M/S. SAPPHIRE INTERNATIONAL	5,43,165	49	2,45,00,000	2,10,33,250	4,66,307	2,05,66,943
2	2003276 23-03-2021	M/S. SAPPHIRE INTERNATIONAL	1,29,829.50	11.8	59,00,000	50,65,150	1,11,459	49,53,691
3	2003577 1/4/2021	M/S. SAPPHIRE INTERNATIONAL	1,29,829.50	11.8	59,00,000	50,65,150	1,11,459	49,53,691
4	2004135 18-04-2021	M/s.D'AMBROSIA EXCELLENTIA GATEWAYS	5,48,401.84	51.44	2,57,20,000	2,20,80,620	4,70,803	2,16,09,817
5	2004376 26-04-2021	M/S. D' AMBROSIA EXLENTTIA GATEWASYS	3,33,689.30	31.3	1,56,50,000	1,34,35,525	1,32,308	1,33,03,217
6	2004768 11/5/2021	D' AMBROSIA EXCELLENTIA GATEWAYS	2,37,555.50	22.7	1,13,50,000	97,43,975	94,191	96,49,784
7	2004770 11/5/2021	D' AMBROSIA EXCELLENTIA GATEWAYS	3,13,950	30	1,50,00,000	1,28,77,500	1,24,481	1,27,53,019
8	2004930 19-05-2021	D' AMBROSIA EXCELLENTIA GATEWAYS	3,66,275	35	1,75,00,000	1,50,23,750	1,45,228	1,48,78,522

9	2005482 4/6/2021	M/S. ESAAR MOBITECH TECHNOLOGY PRIVATE LIMITED	2,22,600	22.26	1,11,30,000	95,55,105	88,261	94,66,844
10	2005684 9/6/2021	ESAAR MOBITECH TECHNOLOGY PRIVATE LIMITED	4,61,950.86	44.62	2,23,10,000	1,91,53,135	1,83,164	1,89,69,971
11	2006012 18-06- 2021	ESAAR MOBITECH TECHNOLOGY PRIVATE LIMITED	2,04,520.47	18.92	94,60,000	81,21,410	81,092	80,40,318
12	2006013 18-06- 2021	BLUE SEA CORPORATION	1,20,150.74	11.115	55,57,500	47,71,114	47,640	47,23,474
13	2006257 25-06- 2021	SRI SAIESH	1,01,611.65	9.4	47,00,000	40,34,950	40,289	39,94,661
14	2006258 25-06- 2021	BLUE SEA CORPORATION	68,101.42	6.3	31,50,000	27,04,275	27,002	26,77,273
15	2006259 25-06- 2021	ESAAR MOBITECH TECHNOLOGY PRIVATE LIMITED	2,16,195	20	1,00,00,000	85,85,000	85,721	84,99,279
16	2007103 19-07- 2021	D' AMBROSIA EXCELLENTIA GATEWAYS	3,06,124	29	1,45,00,000	1,24,48,250	1,21,378	1,23,26,872
17	2007856 6/8/2021	SRI SAIESH ENTERPRISES	96,644.69	8.875	44,37,500	38,09,594	38,320	37,71,274
18	2008312 18-08- 2021	ESAAR MOBITECH TECHNOLOGY PRIVATE LIMITED	8,83,138.45	81.1	4,05,50,000	3,48,12,175	3,50,164	3,44,62,011
19	2008851 2/9/2021	LAFRETIER PRECIOUS PRIVATE LIMITED	2,25,825.60	21.45	1,07,25,000	92,07,413	89,540	91,17,873
	Total		55,09,559	516	25,80,40,000	22,15,27,340	28,08,807	21,87,18,533